

PUBLIC HEALTH DEPARTMENT[641]

Adopted and Filed

Rule making related to medical residency program liability costs

The Public Health Department hereby amends Chapter 108, “Medical Residency Training State Matching Grants Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 135.176 and 2021 Iowa Acts, House File 891.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 135.176 and 2021 Iowa Acts, House File 891.

Purpose and Summary

2021 Iowa Acts, House File 891, division XVII, designated an additional activity that can be funded from the Medical Residency Training State Matching Grants Program for the time period beginning July 1, 2021, and ending June 30, 2026. Sponsors that are not covered under Iowa Code chapter 669 may apply to the program to fund the payment by the sponsor of medical residency program liability costs subject to provision by the sponsor of dollar-for-dollar matching funds used for the payment of such costs. The amendments to Chapter 108 implement these changes to Iowa Code section 135.176.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on September 22, 2021, as **ARC 5927C**. No public comments were received. No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the State Board of Health on January 12, 2022.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to the Department’s waiver provisions contained in 641—Chapter 178.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s

meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on March 16, 2022.

The following rule-making actions are adopted:

ITEM 1. Amend rule 641—108.1(135) as follows:

641—108.1(135) Scope and purpose. The medical residency training state matching grants program is established to provide greater access to health care by increasing the number of practicing physicians in Iowa through the expansion of residency positions in Iowa. The department shall provide funding to sponsors of accredited graduate medical education residency programs for the establishment, expansion, or support of medical residency training programs that will increase the number of residents trained. For the period beginning July 1, 2021, and ending June 30, 2026, the department shall provide funding to sponsors of accredited medical education residency programs for the support of medical residency training program liability costs. Funding for the program may be provided through the health care workforce shortage fund, medical residency training account, and is specifically dedicated to the medical residency training state matching grants program as established in Iowa Code section 135.176. These rules shall be implemented only to the extent funding is available.

ITEM 2. Amend rule 641—108.3(135) as follows:

641—108.3(135) Eligibility criteria—establishment or expansion. To be eligible for a matching grant for the establishment or expansion of medical residency training programs, a sponsor shall satisfy the following requirements and qualifications:

108.3(1) to 108.3(5) No change.

ITEM 3. Renumber rules **641—108.4(135)** and **641—108.5(135)** as **641—108.5(135)** and **641—108.6(135)**.

ITEM 4. Adopt the following new rule 641—108.4(135):

641—108.4(135) Eligibility criteria—support. To be eligible for a matching grant for the support of medical residency training program liability costs, a sponsor shall satisfy the following requirements and qualifications:

108.4(1) A sponsor shall be financially and organizationally responsible for a residency training program that is accredited by the ACGME or by the AOA.

108.4(2) A sponsor shall not be subject to Iowa Code chapter 669.

108.4(3) A sponsor shall demonstrate through documented financial information that funds have been budgeted and will be expended by the sponsor in the amount required to provide dollar-for-dollar matching funds for the cost of the medical residency program liability.

108.4(4) A sponsor shall demonstrate that the funding of the medical residency program liability costs falls within the period of July 1, 2021, and June 30, 2026.

ITEM 5. Amend renumbered rules 641—108.5(135) and 641—108.6(135) as follows:

641—108.5(135) Amount of grant.

108.5(1) The department shall award funds based upon the funds budgeted as demonstrated in the request, as identified in subrule 108.3(2) or 108.4(3).

108.5(2) Grant award per activity.

a. The total amount of a grant awarded to a sponsor proposing the establishment of a new or alternative campus accredited medical residency training program shall be limited to no more than 100 percent of the amount of funds the sponsor has budgeted as demonstrated through a line-item budget for each residency sponsored for the purpose of the residency program.

b. The total amount of a grant awarded to a sponsor proposing the provision of a new residency position within an existing accredited medical residency or fellowship training program, or a sponsor funding residency positions which are in excess of the federal residency cap, shall be limited to no more than 25 percent of the amount of funds the sponsor has budgeted as demonstrated through a line-item budget for each residency position sponsored for the purpose of the residency program.

c. The total amount of a grant awarded to a sponsor proposing to fund medical residency program liability costs shall be limited to no more than 50 percent of the total cost the sponsor has budgeted as demonstrated through a line-item budget for the medical residency program liability costs.

108.5(3) A sponsor shall receive funds based on budgeted expenses that include but are not limited to:

- a.* Stipends and fringe benefits for residents and fellows;
- b.* The portion of teaching physician salaries and fringe benefits associated with teaching and supervision of residents and fellows;
- c.* Other direct costs that can be attributed to medical education (e.g., clerical salaries, telephone, office supplies).

108.5(4) An individual sponsor that establishes a new or alternative campus accredited medical residency training program shall not receive more than 50 percent of the state matching funds available each year to support the program. An individual sponsor proposing the provision of a new residency position within an existing accredited medical residency or fellowship training program, ~~or~~ a sponsor funding residency positions which are in excess of the federal residency cap, or the funding of the payment by the sponsor of medical residency program liability costs subject to provision by the sponsor of dollar-for-dollar matching funds used for payment of such costs shall not receive more than 25 percent of the state matching funds available each year to support the program.

641—108.6(135) Application and review process.

108.6(1) and **108.6(2)** No change.

108.6(3) Each request for proposal issued by the department will identify one or more of the following purposes for use of the funding:

- a.* The establishment of new or alternative campus accredited medical residency training programs;
- b.* The provision of new residency positions within existing accredited medical residency or fellowship training programs; ~~or~~
- c.* The funding of residency positions which are in excess of the federal residency cap; or
- d.* The funding of the payment by the sponsor of medical residency program liability costs subject to provision by the sponsor of dollar-for-dollar matching funds used for the payment of such costs for the period beginning July 1, 2021, and ending June 30, 2026. The funding shall not apply to medical residency programs to which Iowa Code chapter 669 applies.

108.6(4) No change.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 2/9/22.